

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION INTO WOOD CREEK	)	
WATER DISTRICT'S PROPOSED	)	CASE NO.
TERMINATION OF WHOLESALE WATER	)	2006-00184
SERVICE TO THE CITY OF LIVINGSTON FOR	)	
NONPAYMENT OF BILLS	)	

O R D E R

This matter is before the Commission on its own motion. Wood Creek Water District ("Wood Creek"), a water district organized pursuant to KRS Chapter 74, owns and operates facilities that distribute and furnish water to approximately 5,002 customers in Laurel County, Kentucky.<sup>1</sup> It is a utility subject to the Commission's jurisdiction.<sup>2</sup> The city of Livingston, Kentucky ("Livingston") owns and operates water distribution facilities that provide water service to approximately 195 retail customers and wholesale water service to Eastern Rockcastle Water Association.<sup>3</sup> By virtue of its provision of wholesale water service to Eastern Rockcastle Water Association, it is a utility subject to Commission jurisdiction.<sup>4</sup>

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<sup>1</sup> Annual Report of Wood Creek Water District to the Kentucky Public Service Commission for the Calendar Year Ending December 31, 2005 at 5 and 27.

<sup>2</sup> KRS 278.010(3)(d); KRS 278.040.

<sup>3</sup> Annual Report of Eastern Rockcastle Water Association to the Kentucky Public Service Commission for the Calendar Year Ending December 31, 2005 at 23.

<sup>4</sup> See Simpson County Water District v. City of Franklin, 872 S.W.2d 460 (Ky. 1994).

The Commission has jurisdiction over Wood Creek's rates and service,<sup>5</sup> and the rates and quality of water service that Livingston provides to Eastern Rockcastle Water Association.<sup>6</sup> It may, upon complaint or its own motion, investigate any "regulation, measurement, practice, or act affecting or relating to the service of. . .[a] utility."<sup>7</sup>

On May 2, 2006, Wood Creek filed a notice of intention to terminate service of water to Livingston for non-payment. This case was established on May 4, 2006 for the purpose of investigating the reasonableness of Wood Creek's proposed termination of water service, the adequacy and reliability of Livingston's supply of water to Eastern Rockcastle Water Association, and Livingston's management of this supply.

During a recess in a hearing held on May 22, 2006, Wood Creek and Livingston were able to reach a settlement. The terms of this settlement were documented in an Order entered on May 25, 2006. On May 31, 2006, however, Wood Creek advised the Commission that Livingston had failed to make payment as promised and Wood Creek issued a second notice of intent to terminate service. On June 2, 2006, the Commission entered an Order setting a hearing for June 13, 2006.

By notice dated June 9, 2006, the Commission was advised by Wood Creek that Livingston had paid the outstanding indebtedness. The Commission has received no new motions or correspondence in this case since that time. Accordingly, there do not appear to be any more matters in dispute and this case may be closed and dismissed from the Commission's active docket.

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<sup>5</sup> KRS 278.040(2).

<sup>6</sup> See Simpson County Water District.

<sup>7</sup> KRS 278.260(1).

IT IS THEREFORE ORDERED that this case is dismissed and is removed from the Commission's docket.

Done at Frankfort, Kentucky, this 7<sup>th</sup> day of September, 2006.

By the Commission

ATTEST:



Executive Director